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REMARKS

Claims 25-28 were rejected under 35 USC § 112, first paragraph, as failing to comply with the enablement requirement. Claims 1-24 were rejected under 35 USC § 101 as being directed to non-statutory subject matter.

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Claims 1-28 are allowable over the prior art of record.

35 USC § 112 Rejection

Examiner noted that the claimed various means such as a trading agent means, value manager means, trade manager means and a net value generator means, a maximizer means, and a transaction reporter means are not described in the specification. Applicant respectfully disagrees.

The specification on pages 14-15, under the heading "architecture", introduces claimed elements in more detail. For example,

Trade Agent 1102, 1104, 1106 represent Trading Partner 1101, 1103, 1105 respectively in the electronic exchange. (Spec. page 14, lines 23-24, emphasis added)

The Value Manager has mechanisms for storing, retrieving, and updating attributes, working with attribute values and ranges, and converting between attribute names, types, values, and ranges. (Spec. page 15, lines 14-17, emphasis added)

Trade Manager (TM) 1110 is in charge of conducting trades at the exchange. Trade Manager 1110 identifies the potential trading partners for a given trade and identifies the trading protocol that will be used among the trading partners to communicate their True Values and for the system to compute the Net Value. (Spec. page 15, lines 19-22, emphasis added)

Page 16 provides more detail of operations performed by these elements:

THEORY OF OPERATION

Let the attributes be represented by the set $A = \{A_1, A_2, \dots, A_n\}$.

Let $A_i, i = 1, \dots, n$ have values $\{v_{i,1}, v_{i,2}, \dots, v_{i,m}\}$.

Let the Trade Agents in the exchange be represented by TA_1, TA_2, \dots, TA_q .

A set of attribute values associated with an offer O_k may be specified using a vector $v_k = (v_{1,k1}, v_{1,k2}, \dots, v_{1,km})$.

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The offer itself for a trading partner TA_p may be represented by $(v_k, D_{k,p})$ where $D_{k,p}$ is the True Value that the trading partner associates with the trading element with the attribute values in v_k .

5 The goal of the Trade Manager is to identify an offer from all the submitted offers, the one offer that maximizes value. This offer, O_d called the Deal has the maximum value of the $\text{Sum}(D_{k,p}) - \text{Sum}(D_{k,q})$ where TA_p 's are Consumers (buyers) and TA_q 's are providers (sellers).

A person of skill in the art can write computer code to perform the operations described in this section.

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For the "net value generator means" a procedure to compute or generate net value is described on pages 18-19, and an alternate embodiment for computing net value on pages 19-20. Using the information in these sections a programmer can implement these computing procedures in a variety of computer languages and platforms including object-orientated programming. For example, on page 22, last line, a "complex object of trading elements" can be used to represent the trade.

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Maximizing net value is described in several places in the specification:

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In this embodiment the amount returned to each Trading Partner Agent is computed as a function of their contribution towards maximizing the Net Value of the trade. (page 22, line 10-12, emphasis added)

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The Trade Manager then identifies, in block 1415, the offer that maximizes the cumulative True Value. (page 19, line 1-2)

The offer with the maximum cumulative True Value identifies the Net Value of the trade. (page 19, line 9-10)

Reporting trade results from a trade is also described:

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If the trade cannot be settled, then the system tells the trading partner what their value should have been had they wanted to settle the trade at that point. This feedback information loop allows the trading partners to adjust their value over time. (page 14, lines 1-4)

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Thus the trading agent means, value manager means, trade manager means and a net value generator means, a maximizer means, and a transaction reporter means are described in the specification. Applicant thus requests that the rejection under 35 USC § 112, first paragraph, be withdrawn.

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35 USC § 101 Rejection

Examiner noted that the different entities disclosed in the specification do not appear to be computer-implemented codes or subroutines or modules or program codes. The recited process must somehow apply, involve, use, or advance the technological arts. Claims 1-24 do not recite any structure or functionality to suggest that a computer performs the recited claims. Applicant respectfully disagrees.

The procedures, computations, and flows described in the specification can be implemented using "proprietary software" (page 5, line 1) or "standardized software" (page 5, line 26). Using built-in capabilities of "existing exchanges (Such as Ariba or CommerceOne)" is also disclosed in Applicant's specification (page 5, line 24). The invention can be used in both "business-to-consumer (B2C)" and "business-to-business (B2B)" scenarios (page 25, lines 17-19).

The specification refers to the well-known term "electronic exchange" that uses "aggregation" to group buyers and sellers (pages 2-3). Under "terminology" on page 8, "electronic commerce" is defined as occurring over an "electronic medium":

1. **Electronic Commerce** - Commerce conducted over an electronic medium
2. **Electronic Exchange** - A platform in which providers of goods and services buy, sell, and exchange those entities.

An "electronic medium" is part of the technological arts. Thus "electronic commerce" and "electronic exchanges" are directed toward or use electronic media to conduct transactions. Claims that use or apply an "electronic exchanges" are thus directed to statutory subject matter.

Claim 1 recites:

- trading agents, coupled to trading partners that provide or consume trading elements, for representing the trading partners in an electronic exchange;
- a trade manager, coupled to the trading agents and receiving the true values from the value managers, for conducting trades at the electronic exchange, (emphasis added)

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Many other claims likewise are statutory since they recite using an electronic exchange to produce a useful, tangible result, attributes or parameters for a trade that the different parties can all agree to. Independent claim 12 recites this useful result:

transacting the trade for the trading element modified by the maximum combination of elements,

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Claim 1 recites that the trade manager is for "for conducting trades at the electronic exchange", a useful result.

Claim 12 and its dependents were previously amended to recite a "computer-implemented" method. Thus method claims 12-24 are directed toward a statutory, computerized method.

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Claim 25 recites:

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a computer-usable medium having computer-readable program code means embodied therein for creating value in an electronic trade, the computer-readable program code means in the computer-program product comprising: (emphasis added)

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Both an electronic trade and a computer-usable medium are part of the technological arts, so claim 25 is directed toward statutory subject matter. Claim 25 also recites outputting of a tangible result:

transaction reporter means, coupled to the trade manager means, for reporting the set of attributes that maximized the net value,

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Thus all 3 independent claims recite structure or functionality, such as an "electronic exchange" or a "computer-usable medium" that is part of the technological arts, meeting the first prong of the 2-prong test.

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All 3 independent claims also recite structure or functionality that produces a useful, concrete, and tangible result, such as choosing or reporting parameters that all trading partners can agree on, thus enabling the trade. Thus both prongs of the 2-prong test are met by the claims.

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In view of the above, it is submitted that claims 1-28, as previously amended, are in a position for allowance. This application was filed with formal drawings that have not been amended. Applicant believes that a full and complete response to the office action

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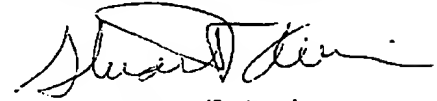
has been made. Reconsideration and re-examination is respectfully requested. Allowance of the claims at an early date is solicited.

If the Examiner believes that a telephone interview would expedite prosecution of this
5 application, he is invited to telephone the undersigned at (831) 476-5506.

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Respectfully Submitted,



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